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C O N F I D E N T I A L SECTION 01 OF 02 KIEV 001241

SIPDIS

E.O. 12958: DECL: 03/29/2016

TAGS: PREL PGOV PARM

SUBJECT: UKRAINE: SOCIALIST MOROZ ON COALITION

NEGOTIATIONS: "MAIDAN" REUNITED IS ONLY FEASIBLE OPTION

Classified By: Ambassador, reason 1.4 (b,d)

11. (C) Summary: Socialist Party of Ukraine (SPU) leader Oleksandr Moroz told Ambassador and DCM March 29 that a "Maidan" coalition of Our Ukraine, Yuliya Tymoshenko Bloc (BYuT), and the Socialists was the only feasible option, and that he had told this to President Yushchenko during their March 28 consultations. The SPU Political Council had met mid-day March 28 and voted unanimously, with two abstentions, in favor of an Our Ukraine-BYuT-Socialist coalition based on the agreement of principles negotiated between the three parties over the past two months. The "grand coalition" idea of the Maidan three plus Regions was only possible in theory, since in practice it would be unworkable. That said, Moroz was in favor of bringing Regions partly into power, though not into the coalition, by giving them the governorships of four or five oblasts where the "Blue" party held sway, plus perhaps a ministry like the Coal Ministry. Moroz dismissed the notion that the Socialists might join a Regions-Communist-Socialist "Blue-Red-Pink" coalition; he also rejected the possibility of the SPU joining Our Ukraine and Regions without BYuT. T key now, said Moroz, was for Our Ukraine and Tymoshenko to come to a mutual accommodation with each other. End summary.

Maidan reunited is the only option...

- 12. (C) Socialist Party chief Oleksandr Moroz told Ambassador and DCM March 29 that the SPU Political Committee had met mid-day March 28, prior to his (Moroz') meeting with Yushchenko. The Political Committee had decided unanimously, with two abstentions, in favor of a reunited Maidan trilateral coalition: Our Ukraine, BYuT, and the Socialists (note: this decision was reported in the press). Moroz had told Yushchenko this when they met later March 28. Moroz noted to Ambassador that the three parties had negotiated an agreement based on principles over the past two months; Moroz felt that the agreement should form the basis of the coalition, though it remained for Our Ukraine and Tymoshenko to work out a mutual accommodation with each other. He personally saw no viable option to the Maidan team reunification.
- 13. (C) Moroz supported the widely perceived notion that the largest stumbling block to an Orange rapprochement remained personality conflicts between Tymoshenko and not only Yushchenko, but also his inner circle, in particular ex-National Security and Defense Council Secretary Petro Poroshenko. Yushchenko's inner circle would do all that it could to prevent Tymoshenko from becoming Premier again, but it was Moroz's assessment that that group favored an Orange coalition if it could be arranged without Tymoshenko as PM. Our Ukraine's leaders knew that if they were to cut a deal with Regions, they would lose the support of their political
- 14. (C) Moroz described a three-way meeting March 27 between PM Yekhanurov, Tymoshenko, and himself; the session had started as a Yekhanurov-Tymoshenko bilat. Tymoshenko felt that 240-250 MPs in the Rada that BYUT, Our Ukraine, and the SPU would command would be enough to function normally; Yushchenko at that point was looking for a wider base from which to govern. That meant Regions.
- ...but best to cut Regions in partially
- 15. (C) Moroz rejected the idea of a grand coalition of Our Ukraine, BYuT, SPU, and Regions as too unwieldy in practice, joking that 400 Rada MPs would have to meet en masse every time a decision needed to be made. Moroz also rejected the idea of an Our Ukraine-SPU-Regions coalition, saying the Regions vs. Our Ukraine/Socialists ratio of Rada seats would be too unbalanced. Our Ukraine would be trying to use the Socialists as "ideological cover" in such an alliance, but Moroz would not allow that. He would only consider participating in a more balanced grand coalition that included BYuT, but he believed that such an arrangement was a non-starter for Tymoshenko, and in any case it would be too unwieldy. Yushchenko knows my position on this matter," he added.
- $\underline{\P}6.$ (C) While Regions should not be in the coalition, Moroz

advocated bringing them "into power" by offering the governorships of four-five oblasts in which they clearly dominated the political scene. Moroz said he had made this suggestion during his March 28 discussions with Yushchenko, as they discussed ways of healing the divide ("raskol") in Ukraine (note: Moroz shared this suggestion with the media late March 28). He also did not rule out the possibility of offering Regions a token Ministry, such as the recently reestablished Coal Ministry, or a key Ministry of Industrial Policy department, such as the Metallurgy Department or Ore Mining/Ferroalloy Department.

17. (C) Moroz said that Tymoshenko was not opposed to this partial offering to Regions in order to give them a sense of belonging within the system of power, rather than being shut out completely. That said, Moroz expressed uncertainty that Regions would agree to such a deal in the near future, since they were currently counting on negotiations between Our Ukraine and BYuT eventually collapsing, to give them a chance to cut a deal with Our Ukraine.

Disappointment with the Socialist showing

- 18. (C) Moroz expressed disappointment with the SPU's fourth-place showing (note: 5.8 percent, with 96 percent of the vote tallied), saying that the SPU had built a party machine throughout the country and had set 13 percent as its target. Moroz chalked up the underperformance to "irrational factors," primarily a willingness for electorates to ignore performance in office in supporting local favorites, whether it be BYuT in Kiev oblast or Regions in Odesa oblast, two provinces in which the Socialists had expected to poll much stronger.
- 19. (U) Visit Embassy Kiev's classified website at: www.state.sgov.gov/p/eur/kiev. Herbst